

19

DEDUCTION FOR CHILD AND DEPENDENT CARE EXPENSES

MCA 15-30-121

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|---------------------------------|--------------------------------------|------------------------------|
| LAST NAME | Your First Name & Middle Initial | Your Social Security No. |
| Spouse's Last Name if Different | Spouse's First Name & Middle Initial | Spouse's Social Security No. |

1. Number of qualifying persons cared for (see specific instructions below).....1. _____
2. Enter **actual amount paid** during year not to exceed limitations below 2. _____

Limitation: \$2,400 for one person
Not more than \$3,600 for two persons
\$4,800 for three or more persons

3. Combine amounts in columns A & B from line 35, Form 2, Page 2 3. _____
- A) **If line 3 is less than \$18,000, STOP HERE.** Enter amount from line 2 above on line 81, Form 2A, Schedule I. **Married couples filing separate on same form enter ½ of Line 2 in each column.**
OR
B) If line 3 is over \$18,000 continue below
4. Base wage amount 4. **18,000**
5. Subtract line 4 from line 3 5. _____
6. Multiply line 5 by .50 6. _____
7. Subtract line 6 from Line 2 (If zero or less no deduction allowed) 7. _____

Enter amount from Line 7 on Line 81 Form 2A, Schedule I.

Married couples filing separate on same form enter ½ of Line 7 in each column.

General Instructions

A. Who May Claim This Deduction

You may be eligible to take this deduction if you maintain a household which includes as a member, one or more qualifying individuals.

You will be treated as maintaining a household for any year only if you furnish over half the cost of maintaining the household for that year. If you are married for a year, you and your spouse must provide over half the maintenance cost for that year.

The expenses of maintaining a household include property taxes, mortgage interest, rent, utility charges, upkeep and repairs, property insurance, and food consumed on the premises. Expenses do not include the cost of clothing, education, medical treatment, vacations, life insurance or transportation.

B. Special Rules

Married couples may take the child care deduction when filing separately on the same form. The deduction must be divided equally between the spouses. **You may not claim the deduction if you are married filing separately on separate forms (filing status 4 or 5).**

Gainful employment requirement: If you are married for any period during the taxable year, take into account employment-related expenses incurred during any month of that year only if:

- (a) Both you and your spouse are gainfully employed on a substantially full-time or part-time basis, or actually seeking gainful employment, or
- (b) Your spouse is physically or mentally incapable of self-care.

Self-employment is considered gainful employment for the purpose of this deduction.

C. Child Care Deduction vs. Medical Expenses Deduction

If an expense qualifies as both employment-related and medical, you may treat it either way, as long as you do not deduct it twice.

If you treat the expense as medical, then the part of it that is not deductible because of the 7½% medical deduction limitation cannot be used as part of your employment-related expenses.

Specific Instructions

A qualifying person must be:

- (a) a dependent under age 15 for whom an exemption may be claimed; or
- (b) a dependent who, regardless of age, is unable to care for himself or herself because of a physical or mental illness; or
- (c) a spouse who is unable to care for himself or herself because of a physical or mental illness.

Note: If you are a licensed and registered day care operator providing day care for your own child and at least one unrelated child, please contact the Department of Revenue at 1-406-444-0291 or TDD 1-406-444-2830 (for hearing impaired only). ☎

ATTACH THIS FORM TO YOUR RETURN